

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF
PICABO LIVESTOCK COMPANY, INC. FOR
AUTHORITY TO INCREASE RATES AND
CHARGES FOR THE PICABO WATER
SYSTEM.**

)
) **CASE NO. PIC-W-04-1**
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) **NOTICE OF APPLICATION**
)

) **NOTICE OF MODIFIED
PROCEDURE**
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) **NOTICE OF COMMENT/
PROTEST DEADLINE**
)

YOU ARE HEREBY NOTIFIED that on March 25, 2004, Picabo Livestock Company, Inc. filed an Application for a rate increase for the Picabo Water System (Picabo; Company). Nick Purdy, Manager of the Picabo Water System, reports that it has been ten years since Picabo asked for a rate increase (Case No. PIC-W-94-1, Order No. 25447) and in the meantime expenses for power, maintenance, materials and water testing have increased dramatically.

To make the system more dependable, Mr. Purdy reports that a well was drilled in 2000 at a cost of over \$50,000 and a variable speed booster pump was installed to make the pressure in town more stable. The added expenses for power and interest on the well investment has raised the operating expenses several thousand dollars a year. As reflected in the Company's 2003 Annual Report, Mr. Purdy reports that income from the system was \$6,182 and expenses were \$8,283. Expenses do not include any labor to operate the system or any depreciation to replace the equipment at the end of its life.

The Company's survey of a water system similar to Picabo in the town of Carey, Idaho, revealed that the minimum payment for a hydrant is \$50 a month and that an average monthly bill for a household of four that waters their lawn is \$70. Picabo provides water at an un-metered flat rate. Picabo's rate for a single hydrant is a minimum of \$12. Residential rates for Picabo are \$14/month year-round plus an additional \$12/mo for sprinkling (April 1-September 30), for an annual charge/residential customer of \$240. Commercial rates are \$24/mo

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
NOTICE OF COMMENT/ PROTEST DEADLINE 1

year-round plus an additional \$21/mo for sprinkling (April 1–September 30), for an annual charge/commercial customer of \$456.

The Picabo Water System has 26 residential customers and 2 commercial customers. To bring expenses in line with revenues, Mr. Purdy contends that it would take about \$6 a month increase in water rates to make the system break even; however, at that amount there still would not be any money to cover depreciation or labor. The Company anticipates additional increases in electric bills and water sampling costs in the next several years. The Company is therefore requesting an \$8 per month increase in its published water rates. This increase would equate to an annual water charge for residential customers of \$336 and for commercial customers of \$552.

The Company requests that the proposed increase in rates take effect no later than July 1, 2004.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. Picabo-W-04-1. The Commission has preliminarily found that the public interest in this matter may not require a technical hearing to consider the issues presented, and that the issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that **the deadline for filing written comments or protests** with respect to Picabo's Application and the use of Modified Procedure in **Case No. PIC-W-04-1** is **Friday, May 28, 2004**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the issue on its merits and enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. PIC-W-04-1 should be mailed to the Commission and the Company at the addresses reflected below.

COMMISSION SECRETARY
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074

PICABO LIVESTOCK CO, INC.
NICK PURDY
PO BOX 688
PICABO, ID 83348
npurdy@earthlink.net

Street Address for Express Mail:

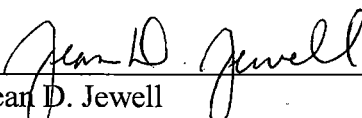
472 W WASHINGTON ST
BOISE, ID 83702-5983

All comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.state.id.us. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the e-mail address(es) listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application in Case No. PIC-W-04-1 may be viewed www.puc.state.id.us by clicking on "File Room" and "Water Cases," or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho and at the general business office of Picabo Livestock Co, Inc.

DATED at Boise, Idaho this 9th day of April 2004.



Jean D. Jewell
Commission Secretary

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